

Mandatory Reference: 467
Filename: 467maa_032702_cd27
Last Revised: 03/27/2002
Effective Date: 03/08/2002

Implementation Guidelines for Authorizing Recruitment and Relocation Bonuses

1. Overview

These guidelines set forth the Agency's policies, criteria, responsibilities, and procedures for the payment of recruitment and relocation bonuses.

A recruitment bonus is a lump-sum payment of up to 25 percent of the annual rate of basic pay (excluding locality pay) to an employee newly appointed by the Agency to a position that would otherwise be difficult to fill. This may apply to an individual's first appointment in the Federal Government or an appointment following a break in service of at least 90 days. In return, the employee must sign an agreement to fulfill a one-year period of service with the Agency.

A relocation bonus is a lump-sum payment of up to 25 percent of the annual rate of basic pay (excluding locality pay) to an employee from another Federal agency in a different commuting area who will be appointed by the Agency to a position that would otherwise be difficult to fill. In return, the employee must sign an agreement to fulfill a one-year period of service with the Agency. In addition, the employee must establish a residence in the new commuting area before the Agency can pay the bonus.

2. Responsibilities

- a. The immediate supervisor is normally the recommending official responsible for initiating a request to grant a recruitment or relocation bonus for a particular candidate being recruited, in conjunction with filling a vacancy in his or her office.
- b. Heads of Bureaus and Independent Offices are responsible for initiating group-based requests for recruitment or relocation bonuses and for reviewing requests for recruitment or relocation bonuses to an individual selected for a position in their organization and deciding whether the request is warranted.
- c. The Administrative Management Staffs (AMS) are responsible for
 - Advising supervisors on use of recruitment and relocation bonuses and on the preparation of justification packages;
 - Determining whether a supervisor's justification addresses the criteria for payment and requirements set forth in these guidelines;
 - Forwarding a complete justification package to the Head of the Bureau or Independent Office;

- Keeping the supervisor and Bureau/Office Head apprised of the status of a request for a recruitment or relocation bonus; and
- Identifying appropriate funding to pay for the recruitment or relocation bonus.

d. The Chief, Personnel Operations Division, or Executive Management Staff (M/HR/POD or EM), or the Chief, Office of Management (IG/M), is responsible for

- Reviewing requests for granting recruitment or relocation bonuses and assuring conformance to the regulations and requirements set forth in these guidelines;
- Verifying with the Office of Human Resources, Policy, Planning and Information Division (M/HR/PPIM), to ensure that granting a recruitment or relocation bonus is consistent with workforce planning initiatives and/or data;
- Processing a personnel action to direct the payment of a recruitment or relocation bonus;
- Ensuring that documentation regarding the granting of a recruitment or relocation bonus is filed in the employee's Official Personnel Folder (OPF); and
- Maintaining records on approved recruitment or relocation bonuses for evaluation and reporting purposes.

e. The Director, Office of Human Resources (M/HR), is responsible for reviewing and forwarding requests with a recommendation for approval/disapproval of recruitment or relocation bonuses for final action by the Assistant Administrator for Management (AA/M) or the Administrator (A/AID) or their designee, as appropriate. For OIG, IG/M will forward requests with a recommendation to the Inspector General (IG) or designee for final action.

f. The Assistant Administrator for Management (AA/M) is responsible for approving requests for granting payment of a recruitment or relocation bonus for employees GS-15 and below.

g. The Administrator or designee (A/AID) is responsible for approving requests to grant a recruitment or relocation bonus for SES employees.

h. The Chief Financial Officer (M/CFO) is responsible for approving requests for waiver of repayment of recruitment or relocation bonuses.

i. The Inspector General (IG) or designee is responsible for approving requests to grant a recruitment or relocation bonus for OIG employees and approving requests for waiver of repayment of recruitment or relocation bonuses.

3. Use of Recruitment and Relocation Bonuses

- a. Recruitment and relocation bonuses will only be authorized when there is a demonstrable need to use them in order to attract high quality candidates for critical positions that would otherwise be difficult to fill.
- b. The Agency will authorize payment of a recruitment or relocation bonus subject to available funding. USAID/W Bureaus and Offices are expected to share the cost of funding to the maximum extent possible.

4. Applicability

- a. The Agency may authorize payment of a recruitment or relocation bonus to an individual who will be entering on duty under a Federal appointment with the Agency in one of the following positions
 - General Schedule (GS) positions
 - Career Senior Executive Service (SES) positions
- b. The following positions are excluded from coverage
 - Foreign Service (FS) or Senior Foreign Service (SFS) positions
 - Administratively Determined (AD) positions
 - Executive Schedule (EX) positions
 - Schedule C or non-career SES positions
 - Temporary and/or intermittent (when actually employed) positions
 - U.S. and Foreign Service National Personal Services Contractors
 - Foreign Service National direct hires
- c. Agency determinations to pay a recruitment bonus may be made on an individual or group basis. A Bureau or Independent Office may target groups of positions that have been difficult to fill in the past or that are likely to be difficult to fill in the future and may make the required written determination to offer a recruitment bonus on a group basis. All requirements in this regulation must be met in order to pay a recruitment bonus to an individual employee in the covered group. The employee must be newly appointed in the Federal Government and must sign a one-year service agreement with the Agency.
- d. Based on the unique circumstances of each case, Agency determinations to pay a relocation bonus normally must be made on an individual basis. (Pursuant to 5 CFR 575.204(d), in limited cases, case-by-case approval may be waived for relocation of a major organizational unit to a different commuting area.)

5. Conditions of Payment

- a. Recruitment and relocation bonuses must be calculated as a full percentage of the employee's annual rate of basic pay (excluding any geographic locality adjustments under 5 U.S.C. 5304) and may not exceed 25 percent of basic pay.
- b. In preparing a request to grant a recruitment or relocation bonus to an individual, the recommending official, normally the immediate supervisor, must
 - Submit a supporting justification that addresses the criteria for payment in section No. 6, Criteria for Payment;
 - Complete a Recruitment/Relocation Bonus Approval Form (AID Form 400-14); and
 - Obtain approval of the request from the Division Chief (or equivalent level) and the Head of the Bureau or Independent Office.
- c. In preparing a request for a group-based recruitment or relocation bonus, the recommending official, normally the Head of the Bureau or Independent Office, must
 - Define the targeted category of employees by use of various factors. Such factors may include occupational series, grade level, distinctive job duties, unique qualifications, and organization or team designation.
 - Submit a supporting justification for the targeted category of employees, taking into account the criteria for payment specified in section No. 6, Criteria for Payment.
 - Complete a Recruitment/Relocation Bonus Approval Form (AID Form 400-14) for each affected individual employee in the targeted category.

6. Criteria for Payment

- a. Each recruitment or relocation bonus paid under the Agency's plan must be based on a written determination that takes into account the following criteria
 - The success of recent efforts to recruit high-quality candidates for similar positions, including (to the extent available) indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions;
 - Recent turnover in similar positions;
 - Labor market factors that may affect the ability of the Agency to recruit high-quality internal or external candidates for similar positions now or in the future (may include such factors as salary ranges of comparable positions, scarcity of skills, and emerging technology);
 - Special qualifications needed for the position;

- Availability of funding to pay for such bonuses;
- Impact on the morale of current employees;
- The percentage of recruitment or relocation bonus that would be needed as an inducement for the individual to accept an offer of employment from the Agency;
- the urgency of filling the position;
- In the case of recruitment bonuses only, the justification must address the practicality of using an appointment above the minimum rate in lieu of a recruitment bonus or in combination with a smaller recruitment bonus; and
- Any other factors that would support or are relevant to the justification for payment of the recommended bonus.

b. The Agency will authorize recruitment and relocation bonuses before the employee enters on duty in the position for which the employee was recruited or to which the employee is being relocated. No bonuses will be approved after entry into the new position.

c. Under 5 CFR 575.205c, an employee must establish a residence in the new commuting area before the Agency may pay a relocation bonus. The employee is responsible for providing proof of residence in the new commuting area, prior to the actual payment of the relocation bonus.

7. Payment of Bonuses

a. Recruitment or relocation bonuses are paid in a lump sum. These bonuses are considered earnings for Federal, State, and local tax purposes.

b. A recruitment or relocation bonus is not a part of the employee's rate of basic pay for any purpose, (e.g., retirement, life insurance, thrift savings, or lump-sum annual leave payments).

c. Relocation bonuses may be paid to employees receiving a special rate or retained rate. Special rates and retained rates are considered basic pay for purposes of calculating a relocation bonus. A relocation bonus is based on the rate of basic pay of the position to which relocated.

d. A recruitment or relocation bonus may be authorized for an employee even if the bonus will -- when added to the annual rate of all other payments to which the employee is entitled (as defined in 5 CFR 530.202) -- cause the employee's annual rate to exceed the rate payable for Level I of the Executive Schedule. However, any such excess must be carried over and paid in lump sum at the beginning of the next calendar year (5 CFR 530.204).

8. Service Agreements

- a. Before a recruitment bonus can be paid, an employee must sign a written service agreement to complete one year of employment in USAID upon entrance on duty. See the Mandatory Reference for ADS 467, Recruitment Bonus Service Agreement.
- b. Before a relocation bonus can be paid, an employee must sign a written service agreement to complete one year of employment in USAID upon relocation to the new duty station. See the Mandatory Reference for ADS 467, Relocation Bonus Service Agreement.

9. Repayment of Bonuses

- a. If an employee fails to complete the one-year service period for either a recruitment or relocation bonus, the employee will be required to repay the portion of the bonus attributable to the uncompleted period of service.
- b. The amount to be repaid will be determined by providing credit for each full month of employment completed by the employee under the service agreement. For example, if an employee completes only six months of service with USAID at the time of separation, the employee must repay one-half of the bonus to USAID.
- c. An employee is not obligated to repay a recruitment or relocation bonus if the employee
 - Is involuntarily separated (for reasons other than misconduct or delinquency); or
 - Is promoted or reassigned to another position in USAID. However, the service agreement will be transferred with the employee and if the employee fails to complete the remainder of the required service period, the employee must repay the portion of the bonus attributable to the uncompleted period.
- d. Amounts owed by an employee will be recovered from the employee in accordance with Agency procedures for employee debt collection and recovery found in ADS 625, Administrative Accounts Receivable.
- e. The Chief Financial Officer (M/CFO) or IG or designee may waive the right of recovery of an employee's debt, in whole or in part, if he or she determines that recovery would be against equity and good conscience or against the public interest.

10. Records and Evaluation

- a. Each determination to authorize a recruitment or relocation bonus must be documented on the Recruitment/Relocation Bonus Approval Form (AID Form 400-14). A copy of the approved form will be provided to the employee.
- b. M/HR/POD, M/HR/EM, or IG/M will maintain records on each approved recruitment or relocation bonus for reporting and evaluation purposes. In addition, the original Recruitment/Relocation Bonus Approval Form (AID Form 400-14), the signed Recruitment or Relocation Bonus Service Agreement (AID Forms 400-15 or 400-16) and supporting justification will be filed on the left side of the employee's Official Personnel

Folder of each employee for which a determination has been made to pay a recruitment or relocation bonus.

c. M/HR or IG/M will periodically evaluate the use of recruitment and relocation bonuses to ensure that payment conforms to the regulations and requirements set forth in these guidelines.

11. Authority and References

These guidelines constitute the Agency's plan for authorizing the payment of recruitment and relocation bonuses. This plan meets the requirements in 5 U.S.C. 5753 and 5 CFR 575, subparts A and B.

See also

- ADS 625, Administrative Accounts Receivable

The following form, agreements and reference are required to comply with the policy and procedures in this Mandatory Reference

- Recruitment/Relocation Bonus Approval Form (AID Form 400-14)
- Recruitment Bonus Service Agreement (AID Form 400-15)
- Relocation Bonus Service Agreement (AID Form 400-16)
- Implementation Guidelines for Authorizing Appointments Above the Minimum Rate

12. Definitions

commuting area

The geographic area that normally is considered one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities where people live and reasonably can be expected to travel back and forth daily to work. (Chapters 418 and 467)

employee

Employee for the purpose of payment of a recruitment bonus means an individual who is "newly appointed" or to whom the Agency has made a written offer of employment for a new appointment. "Newly appointed" refers to an individual's first appointment in the Federal Government or an appointment following a break in service of at least 90 days. All three branches are part of the Federal Government for this purpose.

Employee for the purpose of payment of a relocation bonus means a current employee of the Federal Government in a different agency and in a commuting area outside of metropolitan Washington, D.C., who will be appointed or assigned without a break in service of any length to the Agency. Relocation bonuses do not apply to overseas assignments. (Chapter 467)

involuntarily separated

A separation initiated by the Agency against the employee's will and without the employee's consent for reasons other than cause or charges of misconduct or delinquency. An involuntary separation includes a separation resulting from the employee's actual inability to do the work following genuine efforts to do so, but does not include a separation under 5 CFR Part 752 or an equivalent procedure for reasons that involve culpable wrongdoing on the part of the employee. (Chapter 467)

rate of basic pay

The rate of pay fixed by law or administrative action for the position to which the employee is being newly appointed, or to which the employee is being relocated, before deductions and exclusive of additional pay of any kind, such as locality payments under 5 U.S.C. 5304. (Chapter 467)

recruitment bonus

The dollar amount paid only to newly appointed employees as an inducement to accept an offer of employment from the Agency. (Chapter 467)

relocation bonus

The dollar amount paid only to current Federal employees as an inducement to relocate from a different agency in a different commuting area to USAID (without a break in service). (Chapter 467)

service agreement

In conjunction with a recruitment bonus means a written agreement between USAID and a newly appointed employee under which the employee agrees to complete a one-year period of employment with the Agency in return for payment of a recruitment bonus.

In conjunction with a relocation bonus means a written agreement between USAID and an employee under which the employee agrees to complete a one-year period of employment with the Agency at the new duty station to which relocated in return for payment of a relocation bonus. (Chapter 467)